

June 14, 1955

## A BILL

To consolidate and revise certain provisions of law relating to additional compensation of civilian employees of the Federal Government stationed outside the continental United States and in Alaska, except as otherwise authorized herein, and to facilitate recruitment, reduce turnover, and compensate for extra costs and hardships due to overseas assignments.

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Overseas Allowances Act of 1955."

## TITLE I - OBJECTIVES, DEFINITIONS, AND GENERAL PROVISIONS

## PART A - OBJECTIVES

Sec. 101. The Congress hereby declares that the objectives of this Act are to improve and strengthen the administration of Federal Government activities overseas by -

- (1) codifying into one Act certain provisions of law compensating United States citizen employees of the United States Government stationed outside the continental United States and in Alaska for extra costs and hardships due to overseas assignments;
- (2) providing uniform treatment for personnel of all agencies of the Federal Government overseas to the extent justified by relative conditions of employment;
- (3) providing a basis for the more efficient and equitable administration of those provisions of law;
- (4) facilitating the recruitment and retention of the best qualified personnel for service in overseas areas.

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PART B - DEFINITIONS

Sec. III. When used in this Act, the term -

- (1) "Government" means the Government of the United States of America;
- (2) "Government agency" means any executive department, board, bureau, office, agency, commission, or any other establishment of the Federal Government; or any corporation wholly owned (either directly or through one or more corporations) by the United States;
- (3) "Continental United States" means the existing 48 States and the District of Columbia;
- (4) "Overseas" means all areas not included in the continental United States as defined in paragraph (3) of this section;
- (5) "Foreign areas" means all areas, including for the purposes of this Act the Trust Territory of the Pacific Islands and bases leased by the United States in foreign areas, but exclusive of the continental United States, the Canal Zone and the Territories and possessions of the United States;
- (6) "Territories and possessions of the United States" means Alaska, Hawaii, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and all possessions of the United States;
- (7) "Employee" means a civilian in the service of the Government, as more specifically defined in regulations of the President, and including ambassadors, ministers, and officers of the Foreign Service, but excluding members of the Senate and House

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#### PART C - GENERAL PROVISIONS

Sec. 121. Allowances and differentials authorized by this Act shall be paid only in accordance with regulations prescribed by the President establishing rules governing payment and rates at which payment shall be made, and defining the area, groups of positions and categories of persons to which each rate applies.

Sec. 122. Notwithstanding the provisions of RS 1765 (5 U.S.C. 70), allowances and differentials provided by this Act are authorized for employees (a) whose rates of basic compensation are fixed by statute and (b) whose rates of basic compensation are fixed administratively in conformity with rates paid by the Government for comparable work in the continental United States, without taking into consideration allowances and differentials provided by this Act, except as otherwise provided by this Act.

Sec. 123. Notwithstanding the provisions of Sec. 111 (5) and (6) above, the President may, for purposes of this Act, designate the Panama Canal Zone to be treated either as a Territory or possession or as a foreign area if in his judgment the best interests of the United States will be served thereby; and in the event the designation is for treatment as a foreign area, the President shall specifically authorize each type of allowance or differential to be paid; Provided, That during such time as extra compensation for any group of employees in the Panama Canal Zone is otherwise specifically provided by law, no differentials or allowances authorized in this Act, except those provided in Sec. 221(4)(ii) and Sec. 241(c), shall be paid to such group.

Sec. 124. Section 912 of the Internal Revenue Code of 1954 is amended to read as follows: "The following items shall not be included in gross income,

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- (1) Overseas Allowances: - In the case of civilian officers and employees of the United States Government, amounts received as allowances or otherwise (but not amounts received as differentials), under the provisions of the Overseas Allowances Act of 1955 or Title IX of the Foreign Service Act of 1946, as amended.
- (2) Cost of living allowances: - Amounts received as cost-of-living allowances under legislative authority other than those cited in sub-section (1) above, in accordance with regulations approved by the President."

## TITLE II - ALLOWANCES AND DIFFERENTIALS IN FOREIGN AREAS

Sec. 201. The allowances and differentials authorized by this title may be granted to Government employees who are citizens or nationals of the United States stationed in foreign areas, except as otherwise provided.

### PART A - QUARTERS ALLOWANCES

Sec. 211. Whenever Government-owned or rented quarters are not provided without charge, one or more of the following quarters allowances may be granted where applicable:

- (1) A temporary lodging allowance for the cost of temporary quarters incurred by the employee and his family upon first arrival at a new foreign post, for a period not in excess of three months after first arrival or until the occupation of residence quarters, whichever shall be shorter, and for a period not in excess of one month immediately preceding final departure from the post subsequent to the necessary evacuation of residence quarters,

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provided that expenditures for temporary quarters are in fact incurred;

- (2) A living quarters allowance for rent, heat, light, fuel, gas, electricity and water, without regard to the limitations of RS 3648, as amended, (31 U.S.C. 529);
- (3) Under unusual circumstances payment or reimbursement for extraordinary, necessary and reasonable expenses, not otherwise compensated for, incurred in initial repairs, alterations and improvements to his residence at the foreign post of assignment.

#### PART B - COST-OF-LIVING ALLOWANCES

Sec. 221. The following cost-of-living allowances may be granted where applicable:

- (1) A post allowance to offset the difference between the cost of living in Washington, D.C. and the foreign post;
- (2) A transfer allowance for extraordinary, necessary, and reasonable expenses, not otherwise compensated for, incurred by an employee incident to establishing himself at any foreign post of assignment or at a post of assignment in the continental United States between assignments to foreign posts;
- (3) A separate maintenance allowance to assist an employee who is compelled by reason of dangerous, notably unhealthful, or excessively adverse living conditions at his foreign post, or for the convenience of the Government, to meet the additional expense of maintaining his wife or minor

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dependents or both elsewhere than at the foreign post of assignment;

(4) An education allowance or payment of transportation costs to assist an employee with the extraordinary and necessary expenses not otherwise compensated for, which must be incurred by reason of his service abroad, in providing adequate education for his dependents, as follows:

(i) An allowance not to exceed the cost of obtaining such elementary and secondary / educational services as are ordinarily provided without charge by the public schools of the United States plus, in those cases where adequate schools are not available at the post, board and room, and periodic transportation between the post and the nearest locality where adequate schools are available, without regard to the limitations of R.S. 3648, as amended (31 USC 529); Provided, That the amount of the allowance granted shall be determined on the basis of the educational facility used.

(ii) The cost of transporting dependents to and from United States ports of entry, as designated by the head of his agency, to obtain an American secondary or undergraduate college education, not to exceed one trip each way for each dependent for the purpose of obtaining each type of education; Provided, That no allowance payments under (i) above shall be made for any dependent for whom transportation is paid under this subsection. Notwithstanding provisions contained elsewhere in this Act, transportation may be

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authorized under this subsection for dependents of U. S. citizen civilian employees in the Panama Canal Zone for the purpose of obtaining undergraduate college education, under such regulations as the President may prescribe.

PART C - REPRESENTATION EXPENSES

Sec. 231. The Administrative Expenses Act of 1946 (60 Stat. 806) as amended, is hereby further amended by adding thereto a new section, as follows:

"Sec. 22. Under such regulations as the President may prescribe, funds available to the departments for administrative expenses may be allotted to posts in foreign areas and to resident missions to international organizations for representation purposes in the promotion of official policies and programs."

PART D - STORAGE

Sec. 241. (a) Section 911, paragraphs (4) and (5) of the Foreign Service Act of 1946 (22 U.S.C. 1136 (4) and (5) are hereby amended to read as follows:

"(4) The cost of packing and unpacking, transporting to and from a place of storage, and storing the furniture and household and personal effects of an officer or employee of the Service, when he is absent from his post of assignment under orders, or when he is assigned to a post to which he cannot take or at which he is unable to use such furniture and household and personal effects, or when it is in the public interest or more economical to authorize storage; Provided

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That in no instance shall the weight of the effects stored together with the weight of the effects transported exceed the maximum weight limitations fixed by regulations, when not otherwise fixed by law;

"(5) The cost of packing and unpacking, transporting to and from a place of storage, and storing the furniture and household and personal effects of an officer or employee of the Service in connection with assignment or transfer to a new post, from the date of his departure from his last post or from the date of his departure from his place of residence in the case of a new employee and for not to exceed three months after arrival at the new post, or until the establishment of residence quarters, whichever shall be shorter; and in connection with separation of an officer or employee of the Service stationed overseas, the cost of packing and unpacking, transporting to and from a place of storage, and storing for a period not to exceed three months, his furniture and household and personal effects transported at Government expense."

(b) Section 5(a)(1)(D) and (E) of the Act of June 20, 1949 (63 Stat. 209; 50 U.S.C. 403(a)(1)(D) and (E)) are amended to read as follows:

"(D) The cost of packing and unpacking, transporting to and from a place of storage, and storing the furniture and household and personal effects of an officer or employee of the Agency, when he is absent from his post of assignment under orders, or when he is assigned to a post to which he cannot take or at which he is unable to use such

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furniture and household and personal effects, or when it is in the public interest or more economical to authorize storage; Provided, That in no instance shall the weight of the effects stored together with the weight of the effects transported exceed the maximum weight limitations fixed by regulations, when not otherwise fixed by law;

"(E) The cost of packing and unpacking, transporting to and from a place of storage, and storing the furniture and household and personal effects of an officer or employee of the Agency in connection with assignment or transfer to a new post, from the date of his departure from his last post or from the date of his departure from his place of residence in the case of a new employee and for not to exceed three months after arrival at the new post, or until the establishment of residence quarters, whichever shall be shorter; and in connection with separation of an officer or employee of the Agency stationed overseas, the cost of packing and unpacking, transporting to and from a place of storage, and storing for a period not to exceed three months, his furniture and household and personal effects transported at Government expense."

(c) The first section of the Administrative Expenses Act of 1946 (60 Stat. 806; 5 U.S.C. 73b-1) as amended, is further amended by adding at the end thereof the following new subsection:

"(e) Whenever any civilian officer or employee is assigned to a permanent duty station outside the continental United States to which he cannot take or at which he is unable

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to use, his household good and personal effects, or whenever the head of the department concerned authorizes storage of any such property in the public interest or for reasons of economy, storage expenses (including related transportation and other expenses) may be allowed such officer or employee in accordance with regulations prescribed by the President; Provided, That in no instance shall the weight of the property stored under this subsection together with the weight of property transported under subsection (a) exceed the maximum weight limitation provided by subsection (a)."

(d) Notwithstanding provisions contained elsewhere in this Act, payments under subsection (c) of this section may be authorized without regard to the limitations of Section 122, and in addition they may be authorized for U. S. citizen civilian employees in the Panama Canal Zone, and for non-U. S. citizen civilian employees in foreign areas or in the Territories and possessions.

#### PART E - OFFICIAL RESIDENCE EXPENSES

Sec. 251. (a) The Administrative Expenses Act of 1946 (60 Stat. 806) as amended, is hereby further amended by adding thereto a new section, as follows:

"Sec. 23. Under such regulations as the President may prescribe, funds available to the departments for administrative expenses may be allotted to posts in foreign areas for the purpose of defraying the unusual expenses incident to the operation and maintenance of official residences suitable for the chief representatives of the United States at such posts and such other senior officials of this Government in foreign areas as the President may designate."

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(b) The last 7 lines of Section 8 of the Act of October 10, 1949, "An Act to amend the United Nations Participation Act of 1945" are hereby amended to read as follows:

"amended (31 U.S.C. 679), and unusual expenses similar to those authorized by section 23 of the Administrative Expenses Act of 1946, as amended by this Act, incident to the operation and maintenance of such living quarters, and such other expenses as may be authorized by the Secretary of State; all without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5)."

#### PART F - POST DIFFERENTIAL

Sec. 261. A post differential may be granted on the basis of conditions of environment which differ substantially from conditions of environment in the continental United States and warrant additional compensation as a recruitment and retention incentive. Additional compensation paid as a post differential shall not in any instance exceed 25 percent of the rate of basic compensation.

#### TITLE III - ALLOWANCES AND DIFFERENTIALS IN TERRITORIAL AREAS

Sec. 301. The cost-of-living allowance, post differential, and prevailing rate differential authorized by this title may be granted to employees in a Territory or possession of the United States (hereinafter referred to as a "territorial area") who are citizens or nationals of the United States, / To the maximum extent consistent with efficient administration, persons to be employed in a territorial area shall be recruited within the area.

Sec. 302. For purposes of this title recruitment outside a territorial area shall be considered to include all persons directly recruited or transferred

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<sup>territorial</sup>

not normally residents of the area and whose presence there can be determined to be of a temporary nature primarily attributable to such reasons as U. S. military service, employment by other Federal agencies or public or private firms and organizations under conditions of employment which provide for their return to the place of residence outside the territorial area, formal study, travel for pleasure or business, and provided that during <sup>territorial</sup> such period of temporary absence residence is maintained outside the area.

PART A - PREVAILING RATE DIFFERENTIAL

Sec. 311. A prevailing rate differential may be granted to employees recruited in the territorial area whenever it is determined that salary rates prevailing in the territorial area or at the post of assignment in the territorial area for comparable kinds and levels of work are higher than the rates of basic compensation fixed by statute for such employees. Employees recruited outside the territorial area may be granted the prevailing rate differential in lieu of the cost-of-living allowance and/or post differential authorized by this title.

PART B - POST DIFFERENTIAL

Sec. 321. A post differential may be granted to employees recruited outside the territorial area on the basis of conditions of environment in the territorial area or at the post of assignment in the territorial area which differ substantially from conditions of environment in the continental United States and warrant additional compensation as a recruitment and retention incentive. Additional compensation paid as a post differential shall not in any instance exceed 25 percent of the rate of basic compensation. A post differential shall not be paid to any employee while he is receiving a prevailing rate differential.

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#### PART C - COST -OF-LIVING ALLOWANCE

Sec. 331. A cost-of-living allowance to offset the difference between the cost of living in Washington, D. C., and the territorial area or the post of assignment in the territorial area may be granted to employees who are recruited outside the territorial area. A cost-of-living allowance shall not be paid to any employee while he is receiving a prevailing rate differential.

#### PART D - SAVING PROVISION RELATING TO COST-OF-LIVING ALLOWANCE

Sec. 341. Any employee recruited in a territorial area who is receiving a cost-of-living allowance on the effective date of regulations issued under this title and who is continuously employed in the same territorial area shall, for a period of one year after issuance of such regulations, continue to receive the allowance payable under such regulations to employees recruited outside the territorial area, in lieu of any prevailing rate differential, unless the prevailing rate differential is at least equal in amount to his cost-of-living allowance; Provided, That such employee shall not receive any increase in his cost-of-living allowance under such regulations; Provided further, That his cost-of-living allowance shall be reduced by an amount equal to the amount of any increase or increases in his rate of basic compensation.

#### TITLE IV - MISCELLANEOUS PROVISIONS

Sec. 401. Appropriations of additional funds as may be required to carry out the purposes of this Act are hereby authorized. Funds available for the fiscal year 1956 to any Government agency, as defined in section 111(2) of this Act, are hereby made available for the purposes of this Act in accordance with authority granted herein and such regulations as the President may prescribe.

Sec. 411. The following statutes or parts of statutes and all amendments thereto are repealed:

(1) That part of the Act of June 26, 1930 which reads "and, where such quarters are not available, may be granted an allowance for living quarters, including heat, fuel, and light, notwithstanding the provisions of section 1765 of the Revised Statutes (U.S.C., title 5, sec. 70)"; and the phrase "or allowances in lieu thereof" in the first proviso of said Act (ch. 622, 46 Stat. 818; 5 U.S.C. 118a).

(2) Sections 443, 901, 902, 903, and 1051 of the Foreign Service  
Act of 1946, as amended (ch. 957, 60 Stat. 999-1040). ( )

X (3) Section 207 of the Act of April 20, 1948, as amended (62 Stat. 1949; 62 Stat. 1205; 5 U.S.C. 118h).

Sec. 421. Any statute that is not repealed by section 411 but which is inconsistent with any of the provisions of this Act shall be considered as having been amended or superseded by such provisions.

Sec. 431. (a) The repeal of the several statutes or parts of statutes accomplished by section 411 shall not affect any act done or right accruing or accrued, or any suit or proceeding had or commenced in any civil cause, before such repeal, but all rights and liabilities under the statutes or parts thereof so repealed shall continue, and may be enforced in the same manner as if such repeal had not been made; subject, however, to the provisions of section 441.

(b) Any reference in statutes or regulations to those statutes or parts of statutes repealed by this Act shall be construed hereafter to refer to the Overseas Allowances Act of 1955.

Sec. 441. The repeal of the several statutes or parts of statutes accomplished by section 411 shall not be construed as a revival, up to the effective date of this Act, of any statute or part of a statute that may

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Sec. 451. Notwithstanding the provisions of the Act and until such time as regulations are issued thereunder, employees shall continue to be paid allowances and differentials in accordance with rules and regulations issued pursuant to the laws in effect immediately prior to the enactment of this Act, and such rules and regulations may be amended or revoked in accordance with the provisions of such laws.